King County Quarterly Economic Measures
Third Quarter, 2000

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Executive Summary

As part of its year 2000 special programs contract with the Office of Regional Policy and Planning, the Central Puget Sound Economic Development District (EDD) produces quarterly reports on national and county economic measures. This document is an executive summary of the third quarter, 2000 report. Anyone desiring copies of the full 25-page report should contact Ray Moser, Manager, Economic Development Program at 205-0707.

The Nation

U.S. Economic Measures

Advance reports of the gross domestic product for third quarter 2000 show a slight cooling of the national economy. Restrained by a drop in government spending and slower growth in new home construction and business investment, GDP grew at an annualized rate of 2.7%, the lowest in more than a year. While demand remains strong, it appears not to have kept pace in the past three months with the highs of the last few years. Consumer spending rose by 4.5% in the third quarter, better than the 3.1% growth seen in the previous quarter, but not the equal of the 7.6% annual rate of increase in the first three months of the year. Business investment in equipment and software grew by 8.5% in the third quarter, quite strong by historical standards, but not when compared with rates near 20% for much of the past two years.

The second quarter GDP growth rate has been revised upward from 5.2% to 5.6%. While consumer spending slowed during the period, it was not as weak as originally estimated. The implicit price deflator for the second quarter was revised downward slightly to 2.4%. Advance third quarter estimates indicate the threat of inflation receding further, with the GDP price deflator at an annualized rate of 2.0%.

Volatile energy prices led to a roller coaster ride for the consumer price index during the third quarter of this year. In July, the inflation rate rose 0.2%. In August, falling fuel costs led to the first decline in the CPI in 14 years, dropping 0.1%. A dramatic jump in energy prices a few weeks later resulted in a September increase in the CPI of 0.5%. If energy and food costs are excluded, the core rate of inflation has remained relatively stable, rising 0.3% in September after five consecutive months of 0.2% gains. On an annual basis, the CPI rose at a rate of 3.8% through September, compared with a 2.7% increase for all of last year.

The Federal Reserve raised short-term interest rates six times between mid-1999 and May of 2000 to slow economic growth and stave off inflation. At its last three meetings, the central bank has declined to raise rates further.

Since January of this year, interest rate hikes by the Fed coupled with the repurchase of government debt by the Treasury Department have resulted in an inverted yield curve, with shorter term 10-yr and even 3-yr bonds trading at higher rates than the standard 30-yr Treasuries. Inflation fears have tended to keep bond yields higher, although rates have tended generally downwards following the Fed's last interest rate increase in May. In mid-September, the yield on the 30-year bond rose above that of the 10-year note for the first time since January.

With inflation fears somewhat calmer, and no immediate sign from the Fed of further interest rate increases, mortgage rates have moved lower during the third quarter, dropping below eight percent for the first time in about a year.

Industrial/Manufacturing Measures

In the third quarter, producers' durable equipment grew by $23.6 billion, for an annualized rate of 8.5%. This represents a slowdown in the rate of growth, which has averaged fifteen to twenty percent over the past year and a half. Purchases of information processing equipment and software continue to dominate business investment. Nonfarm inventories rose by $74.9 billion, a slight increase over revised second quarter figures.
New orders for durable goods dropped 13.1% in July, the largest one-month decline on record. A fall in new orders for transportation equipment accounted for about two-thirds of the decline. In August and September, durable goods orders recovered slightly, up 3.5% and 1.8%, respectively. Volatility in aircraft industry sales masks a gradual slowdown in industrial demand. Non-defense capital goods orders, excluding aircraft, an indication of business investment, rose 1.8 percent in September after falling 1.3 percent in August and 3.7 percent in July.

A trend toward slower growth is also evident in the industrial production numbers. The pace of production of consumer durables such as household appliances and automobiles slackened in the third quarter compared with the first half of the year. High tech equipment, particularly computers, semiconductors, and communications equipment, continues to show the strongest growth. The capacity utilization rate remained steady at just over 82%.

Income Measures

Income growth averaged 0.4% per month for the quarter. Moderate growth in personal income during the third quarter further reflects a cooling economy, in line with the slower pace of job creation. Per capita disposable personal income continued to rise at a moderate pace in the third quarter, up 2.3% over the same period one year earlier.

The Region

Economic Activity

Price levels in the region rose incrementally in the third quarter of 2000. The consumer price index (CPI) for the western U.S. was up 1.1% from the previous quarter, for an annual rate of 4.4%. The estimated CPI for the Seattle metro area also rose 1.1% in the third quarter of 2000, for an annual rate of 4.3%.

The number of bankruptcies recorded in King County declined further in the third quarter of 2000, down 6.3% from the previous quarter and 6.2% from the same quarter twelve months earlier.

New business starts within Seattle fell somewhat during the third quarter of 2000. Licenses issued in the months July to September were only about two-thirds the volume of the same period last year.

Air traffic at SeaTac continues to follow a long run trend of steady, year to year growth, with pronounced seasonal variations. Air passenger and air cargo traffic volume in the third quarter of 2000 was largely unchanged from the same period last year. Expected revisions in the August figures will likely result in a slight increase over last year's numbers. Container traffic at the Port of Seattle was remarkably robust, up 10.3% from third quarter 1999.

Convention Information

The number of conventions and events held in King County during the third quarter of 2000 rose 55% over the same period last year. Total room nights, a measure of the volume of tourist and business traffic, increased 22%.

Local room taxes collected during the second quarter of 2000 were up 4.8% from the same period last year. Local room tax per event, a proxy measure for delegate expenses, rose 8.2% from the same period twelve months earlier.

Taxable Retail Sales

Taxable retail sales in King County rose 9.9% overall in the second quarter of 2000. Among the major sectors, construction once again grew most rapidly, up 20.5%. Transportation, communications and utilities (15.8%) and manufacturing (11.3%) realized above average gains. Retail trade (8.9%), services (8.5%), and finance, insurance and real estate (8.3%) also did well. Taxable retail sales in the City of Seattle were up 8.1% in the second quarter of 2000. As in the county as a whole, construction activity led the way with a growth rate of 21.9%. Transportation, communications and utilities (11.8%) and services (11.4%) ranked second and third. Most noteworthy was computer services, a sub-component of business services, which grew by 41% in the second quarter.

Employment

With its booming economy and tight labor market, King County continues to enjoy record low unemployment. The unemployment rate for King County rose slightly in the third quarter to 3.4%. Unemployment rates at the state and national levels were also higher, at 4.6% and 4.0%, respectively. The slight increase in unemployment rates in all areas was primarily due to layoffs of government workers hired to complete the 2000 census.

Countywide, average monthly initial unemployment claims in the second quarter of 2000 were down by 3.9% compared with the same period last year. The number of unemployment beneficiaries declined by 16.6%.

In the Seattle metro area, the number of nonagricultural wage and salary workers grew by 2.0% in the third quarter of 2000. Employment in goods-producing industries declined by 3.1%. Employment in services-producing industries increased by 4.5%. In line with the ongoing shift in the economic base of the Puget Sound region, manufacturing employment declined by 4.8%, led by job losses in transportation equipment: aircraft and parts (down 33.7%). Services employment increased by 5.5%, led by growth in business services: computer & data processing (up 27.2%).

Job Dislocation Activity

Roughly half of the job losses recorded by the King County Reemployment Center in the first six months of the year—about 3000—were due to workforce reductions at Boeing. Further jobs were lost at PACCAR/Kenworth Trucks (350), Boston Scientific Corp. (321), and apparel manufacturer Thaw Corp. (400). The downturn in the previously high-flying Internet sector led to the first high-tech layoffs at Amazon.com (150) and eProject.com (31).

Boeing and Airline Industry Data

After nearly two years of steady declines, the number of Boeing workers in Washington State appears to have stabilized at slightly more than 77,000 employees. Contractual backlogs overall at Boeing were up 10% over the same period last year. Backlogs in the commercial airplane division rose 9.4%, and in the space and communications division increased by 5.7%.

Wages

With employment and payroll data now available for the second half of 1999, overall monthly wages can be seen to have risen in the third quarter (7.8%) and again in the fourth quarter (9.4%). Total wage levels in the final quarter of 1999 were higher than in the same quarter one year earlier, by 16.4%. The major sectors with the highest average monthly wage were services (up 33%) and manufacturing (8%).

Real Estate

Construction

A slight cooling in the housing market in the third quarter of 2000 brought slower sales and higher prices. In King County, sales of new and existing homes in the third quarter of 2000 were down 0.9% from third quarter 1999. At the same time, both the mean and median sales prices rose by over 4%.

In the city of Seattle, the number of commercial and industrial permits issued in the third quarter of 2000 increased 6.2% from the same period one-year earlier. The value of non-residential construction, however, was down by nearly 50%. The number of residential permits issued for existing units grew by 12.5%, while those for new construction declined by 10.1%. The dollar value of residential construction increased by more than 27% and the number of new units built increased by half over the same period twelve months earlier.

Office Market

Following the second quarter correction in technology stock prices, layoffs and closures among new economy firms have led to a slackening of demand in the regional office market. According to Colliers International, sublease vacancies in downtown Seattle in the third quarter jumped to six times their level in the previous quarter, with subleases accounting for just under a third of vacancies overall. In downtown Seattle, vacancy rates rose from 1.0% to 1.4%, according to CB Richard Ellis. Nearly 1.2 million square feet of new office space was added to the downtown market in the past quarter, with another 2.4 million square feet under construction. A softening of demand by high tech firms has yet to make itself felt in terms of declining rents. Average lease rates downtown rose 9% to $38.68 per square foot. Lease rates for prime office space remain above $50 per square foot. According to a recently released report by the real estate research division of John Hancock Financial Services, Inc. of Boston, the current office vacancy rate in the Seattle metro area is expected to double over the next 12 months, rising as high as 7% by October of 2001. The report attributes this expected increase to the substantial acceleration in office construction combined with a cooling economy. Last month, the Federal Deposit Insurance Corporation added Seattle to its list of areas in danger of commercial overbuilding, warning that slower economic growth on top of the current boom in office building could force some developers to default on loans. Locally, real estate experts are skeptical, noting that almost 80% of current construction is already preleased, and that, given the historically low vacancy rates, a slight softening in demand might actually be good for the market, perhaps heading off rising lease rates.

Industrial Market

More than a million square feet new space was added to the Puget Sound industrial market in the third quarter, about 2/3 of it in the Kent Valley. In spite of this, continued strong demand drove vacancy rates lower to 3.8% regionwide. In Seattle, vacancy rates fell from 3.3% to 3.1%. Regionwide, the pace of building activity slowed slightly, with 2.5 million square feet of new industrial space under construction compared with 3 million the previous quarter. Lease rates remained unchanged, but strong demand combined with a slowdown in new construction may soon lead to higher rates throughout the Puget Sound region.

Retail Market

The retail market tightened even further in the first half of the year, with vacancy rates down from 5.5% in the second half of 1999 to the current 3.5%. Vacancy rates were lowest in downtown Seattle, with a mere 1.6%, in spite of the addition of more than 700,000 additional square feet. In the face of such strong demand, one would expect a surge in lease rates. Instead, average lease rates were down in the first half of 2000, a fact attributable to the absorption of much of the prime retail space, according to CB Richard Ellis.

Apartment Market

The expected softening of the apartment market has yet to materialize. While the number of buildings changing hands continues to decline (the volume of sales has dropped by nearly two-thirds since the second half of 1998), the average price per unit was up once again in nearly every submarket in the region. Meanwhile, demand for rental housing has driven vacancy rates downward regionwide, dropping to 2.6% in the first half of 2000. In Seattle, the rate fell to 2.2% from 3.4% in the second half of last year. Strong demand and low vacancy rates resulted in a 2.4% rise in rents in the first half of the year. Current conditions have also encouraged developers—more than 10,000 new apartment units are now under construction, with an additional 25,000 units in the planning stages, according to CB Richard Ellis.

OUTPUT and INFLATION

	1999		2000		
	III	IV	I	II	III
Real GDP	$8,905.8	$9,084.1	$9,191.8	$9,318.9	$9,382.2
GDP growth	$122.6	$178.3	$107.7	$127.1	$63.3
% change in GDP from previous quarter	1.4%	2.0%	1.2%	1.4%	0.7%
Annualized growth rate	5.7%	8.3%	4.8%	5.6%	2.7%
Current-dollar GDP	$9,340.9	$9,559.7	$9,752.7	$9,945.7	$10,063.3
GDP growth	$149.4	$218.8	$193.0	$193.0	$117.6
% change in GDP from previous quarter	1.6%	2.3%	2.0%	2.0%	1.2%
Annualized growth rate	6.7%	9.7%	8.3%	8.2%	4.8%
GDP Implicit Price Deflator	104.9	105.2	106.1	106.7	107.3
Annualized growth rate	0.9%	1.3%	3.3%	2.4%	2.0%

INTEREST RATES

	1999		2000		
	III	IV	I	II	III
1 yr T-Bill	4.87	5.29	5.82	5.86	5.80
3 yr T-Bond	5.71	6.00	6.56	6.56	6.16
10 yr T-Bond	5.88	6.14	6.48	6.18	5.89
30 yr T-Bond	6.04	6.25	6.30	5.98	5.80
Discount Rate	4.60	4.87	5.19	5.74	6.00
Federal Funds Rate	5.09	5.31	5.68	6.27	6.52
Prime Rate	8.10	8.37	8.69	9.25	9.50
Average Mortgage Rate : United States	7.16	7.23	7.53	7.56	7.52
30-Year Fixed Rate	7.80	7.83	8.26	8.32	8.03
Average Mortgage Rate : Seattle	7.18	6.99	7.50	7.58	7.67

NOTES:

GDP figures for third quarter 2000 are advance estimates, released October 27, 2000. Other GDP figures are revised.

Real GDP: Gross Domestic Product in (U.S. billions) 1996 dollars. GDP Price Deflator: 1996 =100.

CPI: 1982-1984=100. Price index covers all urban consumers. Quarterly CPI and Interest Rates: 3 month average.

New Home Mortgage Yield: U.S. monthly average, not seasonally adjusted. Represents effective rate on conventional loans closed by major lenders. Rate is for newly-built homes. Effective interest rate is equal to the contract interest rate plus fees and charges amortized over a ten year period. Quarterly rates calculated as three month average.

Average Mortgage Rate: Average effective rate on conventional loans with approximate term to maturity of 30 years. Data is for the Seattle Consolidated Metropolitan Statistical Area (CMSA), which includes Kitsap, Thurston, Island, King, Snohomish, and Pierce counties.

SOURCES:

GDP figures from the Bureau of Economic Analysis national accounts data (http://www.bea.doc.gov/bea/dn/niptbl-d.htm).

CPI calculated by the Bureau of Labor Statistics (http://stats.bls.gov/cpihome.htm).

National Interest Rates from the Federal Reserve Statistical Release (http://www.bog.frb.fed.us/releases/H15/).

Mortgage rates from the Federal Housing Finance Board's Monthly Interest Rate Survey (http://www.fhfb.gov/mirs.htm).

INDUSTRIAL MEASURES

	1999		2000		
	III	IV	I	II	III
Producers' Durable Equipment	1,026.6	1,050.1	1,100.4	1,146.6	1,170.2
Changes in Non-Farm Inventories	43.5	73.0	33.0	72.3	74.9
Manufacturers' New Orders	1,085.2	1,105.8	1,134.9	1,166.4	1,146.0
Non-Defense Capital Goods Orders	167.5	173.3	181.4	193.3	196.1
Industrial Production	137.7	139.5	141.7	144.5	145.5
Capacity Utilization Rate	80.7	81.0	81.5	82.3	82.2
Manufacturing	79.7	80.3	80.8	81.5	81.3

NOTES:
These figures measure industrial activity for the entire U.S. economy.
Producers' Durable Equipment and Changes in Non-Farm Inventories in billions of 1996 dollars, seasonally adjusted. All figures revised retroactive to first quarter 1997. Figures for third quarter 2000 are advance estimates, released October 27, 2000.
Manufacturers' New Orders and Non-Defense Capital Goods Orders in billions of current dollars, seasonally adjusted. Figures for second quarter 2000 have been revised; figures for third quarter 2000 are preliminary estimates, released November 3, 2000.
Industrial Production: 1992 = 100, seasonally adjusted. Quarterly figures are 3 month average.
Capacity Utilization Rate for all industries includes manufacturing, mining, and utilities.

SOURCES:
Producers' Durable Equipment and Changes in Non-Farm Inventories: Bureau of Economic Analysis (http://www.bea.doc.gov/bea/dn/niptbl-d.htm).
Manufacturers' New Orders and Non-Defense Capital Goods Orders: Census Bureau (http://www.census.gov/indicator/www/table5p.txt).
Industrial Production and Capacity Utilization Rate: Federal Reserve Statistical Release (http://www.bog.frb.fed.us/releases/g17/Current/).

Regional Economic Indicators

	1999		2000		
	III	IV	I	II	III
Consumer Price Index: Western U.S.	169.5	170.4	172.1	174.0	175.9
Consumer Price Index: Seattle CMSA	173.4	174.6	176.0	178.4	180.3
Port of Seattle					
Air freight (metric tons)	79,889	77,444	68,000	77,300	79,273
Water-borne freight (TEUs)	352,711	375,865	335,757	388,330	389,141
Air Passengers	8,307,005	6,562,054	6,086,158	7,363,472	8,304,319
Bankruptcies: Puget Sound Region	3,902	3,928	3,876	3,991	3,773
Bankruptcies: King County	1,662	1,655	1,596	1,664	1,559
New Business Starts: City of Seattle	2,898	863	2,432	3,153	1,195
Electrical Energy Usage: City of Seattle	2,076,888	2,358,532	2,733,937	2,243,751	2,101,751

NOTES:
CPI –U: Covers all urban consumers. 1982-1984 = 100. Data for selected local areas available on a bimonthly basis since 1998.
New Business Starts consist of the total new business license accounts for the quarter.
Electrical Energy Usage in thousands of kilowatts billed.
SOURCES:
CPI: Bureau of Labor Statistics (http://stats.bls.gov/cpihome.htm).
Waterborne Freight and Air Traffic: Port of Seattle (http://www.portseattle.org).
Bankruptcies: U.S. Bankruptcy Court.
New Business Starts: Seattle Department of Licensing.
Electrical Energy Usage: Seattle City Light.

Convention Information: King County

	1999		2000		
	III	IV	I	II	III
# Conventions/Events	106	107	158	151	164
# Room Nights	122,417	121,805	155,841	161,175	149,201
Room Nights per Event	1,155	1,138	986	1,067	910

	1999			2000	
	II	III	IV	I	II
Local Room Tax	$3,302,114	$4,183,379	$3,184,960	$2,765,116	$3,459,408
Room Tax per Event	$21,167	$39,466	$29,766	$17,501	$22,910

NOTES:
The figures for number of conventions and number of room nights are for all events booked at the convention center and area hotels. "Local Room Tax" includes Washington State hotel/motel tax distributions to Seattle-King County, exclusive of taxes collected in Bellevue. This is used as a proxy for delegate expenses. Quarterly figures indicate the months when room taxes were collected, not distributed, since distribution occurs two months after collection. For example, hotel/motel distributions for June reflect collections made in April.
SOURCES:
Number of conventions/events and number of room nights: Seattle-King County Convention and Visitors Bureau
Hotel/Motel Tax Distributions: Washington State Department of Revenue

Taxable Retail Sales

INDUSTRY	SIC	City of Seattle Q2 2000 UNITS	City of Seattle Q2 2000 TAXABLE RETAIL SALES ($)	City of Seattle CHANGE FROM Q2 1999	King County Q2 2000 UNITS	King County Q2 2000 TAXABLE RETAIL SALES ($)	King County CHANGE FROM Q2 1999
RETAIL TRADE	**52-59**	**6,543**	**$1,356,995,464**	**5.6%**	**12,448**	**$4,183,508,178**	**8.9%**
BUILDING MATERIALS/HARDWARE	52	260	73,665,560	1.2%	542	295,089,614	5.4%
Lumber/Bldg Material	521-522	117	41,266,767	15.5%	216	165,345,240	20.1%
Paint, Glass, Wallpaper	523	42	6,200,715	15.1%	71	13,691,758	1.4%
Hardware Stores	525	60	21,512,169	-22.0%	139	84,478,075	-12.7%
Nurseries/Garden Supplies	526	41	4,685,909	14.5%	107	30,505,653	0.2%
Mobile Home Dealers	527	-	-		9	1,068,888	-40.0%
GENERAL MERCHANDISE	53	37	93,160,705	7.3%	77	421,985,683	5.5%
Department Stores	531	11	72,419,170	9.9%	14	267,868,084	8.1%
Variety Stores	533	9	14,731,919	-3.9%	23	115,472,065	0.3%
Other General Merchandise		17	6,009,616	7.4%	40	38,645,534	4.7%
FOOD	54	494	121,749,897	9.2%	894	365,569,425	6.6%
Grocery Stores	541	347	114,763,269	9.2%	619	347,657,727	7.1%
Fruit/Vegetable/Meat	542-543	22	1,101,909	99.6%	38	3,866,690	27.0%
Candy/Nut/Confectionery	544	12	394,193	17.0%	18	427,940	-33.7%
Dairy Products	545	6	233,010	-11.5%	13	642,976	-9.7%
Bakeries	546	59	2,623,295	7.1%	104	4,428,128	12.9%
Other Food Stores		48	2,634,221	-8.1%	102	8,545,964	-14.6%
AUTO DEALERS/GAS STATIONS	55	383	246,206,511	-1.6%	988	941,166,166	7.6%
Auto Dealers (New/Used)	551-552	101	176,992,338	2.6%	316	757,960,608	10.3%
Accessory Dealers	553	79	12,822,765	-28.4%	190	47,986,667	-18.2%
Service Stations	554	110	13,667,023	-3.3%	323	50,388,902	3.0%
Marine/Aircraft, etc.		93	42,724,385	-6.5%	159	84,829,989	5.8%
APPAREL/ACCESSORIES	56	327	99,019,841	4.0%	568	254,837,229	7.9%
Clothing	561-565	202	83,110,197	2.2%	342	207,825,399	4.7%
Shoes	566	36	8,215,884	15.7%	59	21,528,060	11.5%
Other Accessories		89	7,693,760	13.4%	167	25,483,770	39.5%
FURNITURE/FURNISHINGS/EQUIP.	57	850	154,198,599	13.5%	1,525	588,198,487	15.9%
Furniture	571	330	49,065,377	10.2%	617	175,228,901	6.4%
Appliances	572	33	2,645,893	-18.5%	86	26,165,697	-8.2%
Electronics/Music Stores	573	487	102,487,329	16.4%	822	386,803,889	23.1%
EATING/DRINKING PLACES	58	1,814	287,840,984	5.6%	3,494	622,553,701	8.9%
MISCELLANEOUS RETAIL STORES	59	2,378	281,153,367	7.9%	4,360	694,107,873	10.2%
Drug Stores	591	45	27,343,162	1.9%	100	73,023,780	1.5%
Miscellaneous Retail Stores	594	580	100,738,451	0.2%	1,079	267,109,811	3.3%
Nonstore Retailers	596	345	23,459,082	-16.5%	614	65,558,603	-0.6%
Fuel/Ice	598	25	9,759,966	-4.5%	43	19,552,969	7.4%
Other Retail Stores		1,383	119,852,706	26.4%	2,524	268,862,710	25.0%
SERVICES	**70-89**	**5,316**	**613,471,403**	**11.4%**	**10,314**	**1,343,651,417**	**8.5%**
HOTELS/MOTELS, ETC.	70	115	104,933,207	8.2%	274	208,604,407	6.7%
PERSONAL SERVICES	72	666	22,754,346	0.8%	1,529	56,082,471	5.6%
BUSINESS SERVICES	73	2,208	255,510,408	14.7%	3,681	504,735,403	10.6%
Computer Services	737	496	65,861,475	41.0%	820	134,473,050	25.5%
AUTOMOTIVE REPAIR/SERVICES	75	665	104,049,944	8.0%	1,532	319,486,265	10.1%
OTHER SERVICES		1,662	126,223,498	12.7%	3,298	254,742,871	4.6%
CONTRACTING	**15-17**	**5,163**	**652,522,280**	**21.9%**	**9,098**	**1,660,794,781**	**20.5%**
MANUFACTURING	**19-39**	**927**	**99,184,634**	**5.0%**	**1,712**	**252,564,256**	**11.3%**
TRANSPORTATION/COMM./UTILITIES	**40-49**	**457**	**220,269,968**	**11.8%**	**701**	**505,431,064**	**15.8%**
WHOLESALING	**50-51**	**2,666**	**388,228,383**	**-6.6%**	**4,414**	**1,099,771,333**	**-0.3%**
FINANCE/INSURANCE/REAL ESTATE	**60-67**	**305**	**57,114,051**	**7.6%**	**559**	**143,438,110**	**8.3%**
OTHER BUSINESS	**0-14/90's**	**844**	**23,381,172**	**4.1%**	**1,622**	**87,682,974**	**7.3%**
TOTAL ALL INDUSTRIES		**22,221**	**$3,411,167,355**	**8.1%**	**40,868**	**$9,276,842,113**	**9.9%**

NOTES:
Quarterly taxable retail sales data released with a lag of up to 6 months. Units are number of businesses reporting taxable retail sales.
SOURCE:
Taxable Retail Sales: *Quarterly Business Review*, Department of Revenue, Washington State (http://www.dor.wa.gov).

Civilian Labor Force: King County

	1999		2000		
	III	IV	I	II	III
Civilian Labor Force	1,045,067	1,045,933	1,034,867	1,032,433	1,031,700
Employed	1,011,333	1,015,033	1,001,900	999,800	996,200
Unemployed	33,733	30,900	32,933	32,667	35,500
Unemployment Rate	3.2%	3.0%	3.2%	3.2%	3.4%
Unemployment Rate: WA State	4.5%	4.3%	5.2%	4.5%	4.6%
Unemployment Rate: United States	4.2%	3.8%	4.4%	3.9%	4.0%

	1999			2000	
	II	III	IV	I	II
Initial UE Claims	5,115	4,730	5,172	7,105	4,913
Unemployment Beneficiaries	20,430	17,883	16,893	18,701	17,035

Nonagricultural Employment: Seattle PMSA

	1999		2000		
	III	IV	I	II	III
Non-Agricultural Employment	1,385,200	1,402,700	1,381,850	1,407,400	1,413,200
Goods Producing	298,600	290,033	275,500	284,700	289,233
Services Producing	1,076,033	1,112,700	1,104,533	1,122,700	1,123,967
Mining	700	667	700	700	700
Construction	81,167	80,467	75,500	80,533	86,033
Manufacturing	212,667	208,900	196,700	203,467	202,500
Durable Goods	168,200	164,033	155,000	159,067	157,467
Nondurable Goods	44,467	44,867	44,300	44,400	45,033
Transportation, Communications & Utilities	84,133	85,233	85,567	86,533	87,233
Wholesale & Retail Trade	328,833	335,400	330,633	336,333	341,033
FIRE	85,900	86,333	84,467	84,567	84,967
Services	405,933	414,033	412,133	421,200	428,333
Government	185,867	191,700	191,733	194,067	182,400

NOTES:
Civilian Labor Force consists of workers who live in the region in question. (based on household survey).
Non-Agricultural Employment consists of workers who work in the region in question. (based on establishment survey).
Unemployment Rates are not seasonally adjusted.
Seattle PMSA includes King, Snohomish, and Island Counties. The proportion of annual average total employment represented by each is approximately 83%, 16%, and 1%, respectively.
All quarterly figures are three-month averages.
SOURCE:
Washington State Labor Area Summaries, Washington State Employment Security, Labor Market and Economic Analysis Branch.

Seattle-King County Dislocation Activity
January - July 2000

Company	Location	Occupation	No. of Workers
Boeing Co.	King, Pierce, & Snohomish Counties	All Job Classifications	3034
Muzak	Seattle	Headquarters Staff & Warehouse	411
PACCAR/Kenworth Trucks	Seattle & Renton	Manufacturing	350
Boston Scientific Corp.	Redmond	Manufacturing & Support - Medical Devices	321
Thaw Corporation	Seattle & Kent	Apparel Manufacturing	200
REI/Thaw Corp.	Seattle & Kent	Garment Manufacturing	200
Summit Window & Door Co.	Kent	Manufacturing & Sales	160
Amazon.com	Seattle	Customer Service & Support	150
Kendall Co.	Bothell	Medical Supply Manufacturing	116
Dutch Harbor/UniSea	Redmond	Seafood Catching	115
Lamonts	Kirkland	Headquarters Staff & Store Support	115
Pony Express	Sea-Tac	Delivery Drivers & Dispatchers	100
Crawford Co.	Bellevue	Claims Administrators & Customer Service	91
United Parcel Service	Seattle & Tukwila	Billing & Accounting	79
Ledalite Architectural Products	Kent	Manufacturing	74
Toys R Us	Kent	Office & Warehouse	70
MDS Penlabs, Inc.	Bothell	Customer Service	62
Silver Eagle	Seattle & Kent	Warehouse, Drivers & Dispatch	52
Allstate Insurance Co.	Bothell	Marketing & Sales	48
Hexcel Corp.	Kent	Aerospace Manufacturing	44
Northern Life Insurance Co.	Seattle	Claims Administrators & Customer Service	40
Nestle	Carnation	Groundskeepers & Milkers	35
eProject.com	Seattle	Project Management	31
HFI Food	Redmond	Food Processing	30
Ball Container, Inc	Seattle	Manufacturing	25
The Paper Co.	Seattle	Manufacturing	20
Red Dot Corp.	Tukwila	Manufacturing	20
CSK Auto	Auburn	Warehouse	19
J.C. Penney	Kent	Office Clerical	12
QFC	Bellevue	MIS	7

January - July 2000	30 Companies	6,031 Dislocated Workers
1999	61 Companies	19,692 Dislocated Workers
1998	56 Companies	7,259 Dislocated Workers

SOURCE: King County Reemployment Support Center

Boeing Employees in Washington State

1989	1990	1991	1992	1993
106,670	104,515	104,700	98,603	88,890
1994	**1995**	**1996**	**1997**	**1998**
81,964	71,834	87,769	103,400	98,440
1999 III	***1999 IV***	***2000 I***	***2000 II***	***2000 III***
83,300	80,900	77,900	77,200	77,300

NOTES:
For quarterly totals, data reflects the number of employees at the end of the quarter. Boeing employees in Washington state represent approximately 40 percent of the company's U.S.-based workforce (including contingent labor and those employed by subsidiaries).
SOURCE:
The Boeing Company (http://www.boeing.com)

Boeing Contractual Backlogs

	1999 III	1999 IV	2000 I	2000 II	2000 III
Commercial Airplanes	75.7	73.0	75.7	77.1	82.8
Military Aircraft and Missiles	16.5	15.6	16.8	18.8	19.1
Space and Communications	8.7	10.6	9.6	9.1	9.2
Total	100.9	99.2	102.1	105.0	111.1

NOTES:
Boeing contractual backlogs in billions of U.S. dollars.
SOURCE:
The Boeing Company (http://www.boeing.com)

U.S. Airlines Net Profit

1994	1995	1996	1997	1998	1999
-344	2,314	2,804	5,168	4,903	5,576

NOTES:
U.S. airlines net profit in millions of U.S. dollars.
ATA member airlines transport over 95 percent of all passengers and cargo traffic in the United States.
SOURCE:
Air Transport Association *Annual Report 2000* (www.air-transport.org)

Per Capita Disposable Personal Income: United States

1999		2000		
III	IV	I	II	III
$23,203	$23,404	$23,472	$23,638	$23,728

Monthly Average Wage by Industry: King County

	1998	1999			
	IV	I	II	III	IV
Overall Average	$3,612	$3,730	$3,565	$3,844	$4,205
Agriculture, Forestry, Fishing	$2,729	$2,479	$2,801	$2,385	$2,873
Mining	$4,248	$3,217	$3,370	$3,726	$4,497
Construction	$3,518	$3,154	$3,308	$3,429	$3,771
Manufacturing	$4,176	$3,818	$4,067	$4,248	$4,508
Transportation and Public Utilities	$3,741	$3,966	$3,495	$3,605	$4,348
Wholesale Trade	$4,060	$3,913	$3,762	$3,880	$4,231
Retail Trade	$1,886	$1,808	$1,935	$1,936	$2,121
FIRE	$4,277	$4,338	$3,859	$3,888	$4,148
Services	$4,247	$4,933	$4,377	$5,085	$5,655
Government	$3,200	$3,006	$3,124	$3,238	$3,314

NOTES:

Per Capita Disposable Personal Income: Values are in 1996 dollars at seasonally adjusted annual rates. Data is from the revised National Income and Products Accounts newly benchmarked to first quarter 1997. Earlier reports using 1992 figures are not comparable.

Wages: Average of monthly wages per worker by industry. Figures are lagged six months or more due to reporting delay.

SOURCES:

Per Capita Disposable Income comes from the U.S. Bureau of Economic Analysis (http://www.bea.doc.gov/bea/niptbl-d.html).

Wages: *Employment and Payrolls in Washington State by County and Industry* (Washington State Employment Security).

Construction

City of Seattle

	1999		2000		
	III	IV	I	II	III
Residential Construction	$122,240,064	$89,989,974	$207,535,437	$207,390,244	$155,362,148
Non-Residential Construction	$333,585,384	$272,317,311	$125,023,154	$290,781,087	$170,001,242
Building Permits					
Commercial and Industrial	754	664	662	716	801
Existing Housing Units	856	589	584	734	963
New Residential Permits	198	165	155	175	178
New Residential Units	928	1,213	1,562	2,221	1,411

King County

	1999		2000		
	III	IV	I	II	III
Home Sales: New & Existing					
# of Sales	6,922	5,674	4,544	6,255	6,863
Days on Market	35	38	45	35	38
Average Sales Price	$303,110	$296,234	$306,152	$316,121	$316,969
Median Sales Price	$239,588	$237,400	$243,350	$253,958	$249,442
Home Sales: New Construction					
# of Sales	671	595	629	726	750
Days on Market	88	80	86	79	78
Average Sales Price	$370,076	$367,627	$386,097	$376,195	$393,089
Median Sales Price	$289,828	$297,965	$302,003	$306,790	$302,383

NOTES:
The number of commercial and industrial permits is estimated by subtracting from the total number permits for residential construction, schools, churches, and other permit activity.

SOURCES:
City of Seattle Department of Construction and Land Use, *Issued Building Development Permits* (monthly reports).
Home sales data comes from the Northwest Multiple Listing Service.

Office Market

Downtown Seattle

	1999		2000		
	III	IV	I	II	III
Total Square Feet	28,315,014	28,469,378	28,746,728	28,828,492	30,158,092
No. of Buildings	222	224	227	226	232
Vacant Square Feet	741,853	589,316	462,822	291,168	376,976
Vacancy Rates	2.6%	2.1%	1.6%	1.0%	1.3%
Under Construction (sq. ft.)	2,889,825	2,997,727	3,246,950	3,290,950	2,386,078
Absorption (sq. ft.)	257,121	353,469	405,479	360,676	1,191,599
Median Lease Rate (per sq.ft.)					
Class A	$31.50	$30.28	$33.68	$35.54	$38.68
Class B	$23.50	-	-	-	-
Class C	$19.50	-	-	-	-
Vacancy Rate					
Class A	2.6%	1.5%	1.0%	0.5%	0.9%
Class B	2.4%	4.3%	3.9%	2.8%	3.5%
Class C	3.5%	2.3%	1.9%	1.1%	1.6%

NOTES:
"Downtown Seattle" consists of the Canal, CBD, Denny Regrade, Lake Union, Lower Queen Anne, Pioneer Square and Waterfront.
The absorption rate is the change in amount of leased space. A negative figure means more space came onto the market than was absorbed by new leases. CB Richard Ellis calculates absorption on a building by building basis.

SOURCE: CB Richard Ellis *Quarterly Market Reports*

Office Market

North King County

	1999		2000		
	III	IV	I	II	III
Total Square Feet	1,135,559	1,135,559	1,135,559	1,031,305	1,181,375
No. of Buildings	24	24	24	-	-
Vacant Square Feet	20,667	29,525	37,928	25,061	9,924
Vacancy Rates	1.8%	2.6%	3.3%	2.4%	0.8%
Under Construction (sq. ft.)	0	0	0	97,972	97,972
Absorption (sq. ft.)	-5,380	-8,855	-8,387	12,892	165,195
Ave. Class A Lease Rate	$20.60	$20.46	$22.75	$23.88	$23.50

South King County

	1999		2000		
	III	IV	I	II	III
Total Square Feet	5,632,654	5,741,805	5,797,606	7,476,563	7,940,060
No. of Buildings	-	-	-	-	-
Vacant Square Feet	497,927	433,506	404,093	868,029	983,773
Vacancy Rates	8.8%	7.6%	7.0%	11.6%	12.4%
Under Construction (sq. ft.)	302,240	301,508	301,508	0	240,000
Absorption (sq. ft.)	140,010	77,959	79,481	-345,004	347,744
Ave. Class A Lease Rate	$18.34	$18.64	$21.60	$22.09	$21.19

NOTES:
"North King County" consists of the area north of the Ship Canal up to the King County line.
"South King County" consists of the area south of the Kingdome to the King County line, excluding Federal Way.
The absorption rate is the change in amount of leased space. A negative figure means more space came onto the market than was absorbed by new leases. CB Richard Ellis calculates absorption on a building by building basis.

SOURCE: CB Richard Ellis *Quarterly Market Reports*

Office Market

Bellevue/Eastside

	1999		2000		
	III	IV	I	II	III
Total Square Feet	19,671,493	20,864,771	20,979,771	20,978,237	21,043,099
No. of Buildings	343	355	358	346	342
Vacant Square Feet	842,013	710,569	772,056	144,750	162,032
Vacancy Rates	4.3%	3.4%	3.7%	0.7%	0.8%
Under Construction (sq. ft.)	4,709,508	3,772,968	4,103,207	3,424,391	4,459,961
Absorption (sq. ft.)	389,491	1,412,423	175,727	1,328,570	50,861
Average Lease Rate (per sq.ft.)					
Class A	$26.00	$24.05	$26.74	$31.73	$28.53
Class B	$22.00	-	-	-	-
Class C	$17.00	-	-	-	-
Vacancy Rate					
Class A	4.6%	3.9%	3.7%	0.5%	0.6%
Class B	4.0%	2.3%	2.1%	1.5%	1.5%
Class C	0.6%	1.0%	0.5%	0.1%	0.4%

NOTES:

"Bellevue/Eastside" consists of all of King County directly east of Lake Washington, plus that portion of Bothell extending into Snohomish County.

The absorption rate is the change in amount of leased space. A negative figure indicates more space came onto the market than was absorbed by new leases. CB Richard Ellis calculates absorption on a building by building basis.

SOURCE: CB Richard Ellis *Quarterly Market Reports*

Industrial Market

Seattle

	1999		2000		
	III	IV	I	II	III
Total Square Footage	71,016,568	70,927,337	71,140,072	70,789,899	70,654,233
Industrial	69,827,803	69,785,228	69,951,307	69,668,790	69,805,046
High-Tech	1,188,765	1,142,109	1,188,765	1,121,109	849,187
Vacancy Rate	1.7%	2.0%	2.1%	3.3%	3.1%
Industrial	1.7%	2.0%	2.0%	3.3%	3.2%
High-Tech	2.5%	1.2%	3.9%	0.2%	0.6%
Total Vacant (sq. ft.)	1,216,673	1,437,324	1,473,250	2,314,798	2,217,915
Industrial	1,187,073	1,423,619	1,427,007	2,313,004	2,212,820
High-Tech	29,600	13,705	46,243	1,794	5,095
Lease Rates (per sq. ft./mo.)					
Industrial	$0.45	$0.45	$0.45	$0.45	$0.45
High-Tech	$0.82	$0.85	$0.85	$0.85	$0.85
Absorption (sq. ft.)	93,071	-265,167	173,500	-884,249	360,341

NOTES:
Beginning with the second quarter of 1999, the elimination of a number of buildings under 10,000 square feet, and other technical adjustments, reduced the size of the tracked inventory. Net absorption figures have been adjusted for these changes.

High Tech: Industrial buildings with a mix of research and development uses. They stand three stories or less, off 25% to 75% office uses and parking ratios of 2.5:1 or greater.
Industrial: Warehouse, distribution, and manufacturing buildings with less than a 25% office buildout.

"Seattle" extends from the King/Snohomish line south to Tukwila.

SOURCE: CB Richard Ellis *Quarterly Market Reports*

Industrial Market

Kent Valley

	1999		2000		
	III	IV	I	II	III
Total Square Footage	85,570,159	85,844,794	87,166,421	87,845,764	88,757,625
Industrial	83,755,501	83,983,480	85,351,763	86,085,950	86,867,889
High-Tech	1,814,658	1,861,314	1,814,658	1,759,814	1,889,736
Vacancy Rate	4.9%	4.9%	5.5%	2.7%	2.5%
Industrial	4.8%	4.9%	6.2%	2.5%	2.5%
High-Tech	6.8%	6.9%	5.5%	11.5%	2.1%
Total Vacant (sq. ft.)	4,177,707	4,218,798	5,391,071	2,354,175	2,185,699
Industrial	4,053,766	4,089,995	5,291,809	2,152,149	2,145,637
High-Tech	123,941	128,803	99,262	202,027	40,062
Lease Rates (per sq. ft./mo.)					
Industrial	$0.33	$0.35	$0.35	$0.35	$0.35
High-Tech	$0.95	$0.95	$0.95	$0.95	$0.95
Absorption (sq. ft.)	1,398,338	224,142	762,681	2,852,798	828,003

NOTES:
Beginning with the second quarter of 1999, the elimination of a number of buildings under 10,000 square feet, and other technical adjustments, reduced the size of the tracked inventory. Net absorption figures have been adjusted for these changes.

High Tech: Industrial buildings with a mix of research and development uses. They stand three stories or less, off 25% to 75% office uses and parking ratios of 2.5:1 or greater.
Industrial: Warehouse, distribution, and manufacturing buildings with less than a 25% office buildout.

"Kent Valley" is defined as Tukwila, Renton, Kent, Auburn and SeaTac.

SOURCE: CB Richard Ellis *Quarterly Market Reports*

Industrial Market

Eastside

	1999		2000		
	III	IV	I	II	III
Total Square Footage	20,560,153	20,357,740	20,272,821	20,676,427	20,745,452
Industrial	16,016,009	15,695,902	15,644,888	16,023,596	16,038,621
High-Tech	4,544,144	4,661,838	4,627,933	4,652,831	4,706,831
Vacancy Rate	4.9%	4.7%	3.7%	2.5%	3.4%
Industrial	5.6%	4.1%	4.9%	2.6%	3.8%
High-Tech	2.6%	6.7%	3.4%	2.3%	2.0%
Total Vacant (sq. ft.)	1,010,932	959,309	924,764	523,163	702,942
Industrial	893,693	645,102	769,728	416,613	607,864
High-Tech	117,239	314,208	155,036	106,550	95,078
Lease Rates (per sq. ft./mo.)					
Industrial	$0.60	$0.60	$0.60	$0.60	$0.60
High-Tech	$1.25	$1.25	$1.30	$1.30	$1.30
Absorption (sq. ft.)	136,939	153,793	228,702	425,726	-109,932

NOTES:
Beginning with the second quarter of 1999, the elimination of a number of buildings under 10,000 square feet, and other technical adjustments, reduced the size of the tracked inventory. Net absorption figures have been adjusted for these changes.

High Tech: Industrial buildings with a mix of research and development uses. They stand three stories or less, off 25% to 75% office uses and parking ratios of 2.5:1 or greater.
Industrial: Warehouse, distribution, and manufacturing buildings with less than a 25% office buildout.

"Eastside" consists of the east side of Lake Washington, King/Snohomish County Line south to Renton City Limits.

SOURCE: CB Richard Ellis *Quarterly Market Reports*

Retail Market

Puget Sound Region	1998		1999		2000
	First Half	Second Half	First Half	Second Half	First Half
Total Rentable Sq. Footage	62,536,242	59,030,357	60,597,201	61,220,255	58,612,098
Total Vacant	4,195,059	2,613,436	3,387,384	3,336,504	2,075,247
Vacancy Rates	6.7%	4.4%	5.6%	5.5%	3.5%
Absorption (sf)	1,629,429	6,442,336	561,033	72,711	1,773,500

Puget Sound consists of the downtown Seattle, Northend, Southend, Eastside, and Kitsap Markets.

Downtown Seattle	1998		1999		2000
	First Half	Second Half	First Half	Second Half	First Half
Total Rentable Sq. Ft.	3,686,414	4,558,469	4,558,469	4,816,804	5,462,959
Total Vacant	101,172	114,678	131,740	148,839	87,407
Vacancy Rates	2.7%	2.5%	2.9%	3.1%	1.6%
Rental Rates	$26.60	$25.16	$26.29	$38.31	$34.07
Absorption (sf)	50,036	847,549	8,243	64,233	754,254

The Ship Canal south to the West Seattle Bridge including the Central Business District, Denny Regrade, Lower Queen Anne, Pioneer Square, West Lake Union, Capitol Hill and the Central District.

Northend	1998		1999		2000
	First Half	Second Half	First Half	Second Half	First Half
Total Rentable Sq. Ft.	15,513,322	15,152,425	15,803,346	15,847,347	12,934,821
Total Vacant	849,089	678,490	933,978	1,044,340	433,317
Vacancy Rates	5.5%	4.5%	5.9%	6.6%	3.4%
Rental Rates	$11.96	$13.15	$11.19	$16.03	$17.61
Absorption (sf)	57,821	747,419	12,752	51,709	558,742

Northend is defined as North Seattle from Ship Canal up through Snohomish and Northern Counties.

Southend	1998		1999		2000
	First Half	Second Half	First Half	Second Half	First Half
Total Rentable Sq. Ft.	28,285,213	27,509,392	27,894,915	28,293,688	27,313,703
Total Vacant	2,139,346	1,344,928	1,860,591	1,621,228	1,188,146
Vacancy Rates	7.6%	4.9%	6.7%	5.7%	4.4%
Rental Rates	$11.78	$14.65	$15.07	$19.07	$15.60
Absorption (sf)	637,790	2,424,513	265,823	98,239	11,230

"Southend" is South Seattle through Pierce and Thurston Counties.

Bellevue/Eastside	1998		1999		2000
	First Half	Second Half	First Half	Second Half	First Half
Total Rentable Sq. Ft.	11,626,902	11,810,071	12,340,471	12,262,416	12,900,615
Total Vacant	696,958	475,340	457,831	521,153	366,377
Vacancy Rates	6.0%	4.0%	3.7%	4.3%	2.8%
Rental Rates	$15.24	$17.32	$19.92	$21.21	$22.50
Absorption (sf)	915,998	761,210	274,215	-141,470	449,274

All of King County east of Lake Washington, including Bellevue, Kirkland, Redmond, Issaquah, Bothell and Mercer Island.

SOURCE: CB Richard Ellis *Quarterly Market Reports*

Apartment Vacancy Rates

	1998		1999		2000
	First Half	Second Half	First Half	Second Half	First Half
Seattle/North King County	**1.2%**	**1.7%**	**2.3%**	**3.4%**	**2.2%**
Capitol Hill/Eastlake	1.9%	1.4%	1.1%	0.5%	0.0%
Central District	0.5%	-	2.2%	5.3%	0.0%
Downtown/First Hill	0.8%	1.7%	2.2%	3.7%	2.7%
Magnolia/Queen Anne	1.2%	1.8%	2.5%	4.2%	2.4%
North Seattle	1.2%	1.2%	1.1%	3.0%	1.2%
Sandpoint	0.0%	0.5%	1.8%	2.6%	0.0%
South Seattle	-	1.0%	3.2%	-	-
University District	1.0%	0.5%	2.7%	1.5%	0.8%
West Seattle	1.1%	0.6%	3.2%	3.2%	1.5%
South King County	**1.7%**	**1.8%**	**3.0%**	**3.6%**	**1.9%**
Auburn	1.1%	2.4%	4.4%	4.7%	1.7%
Burien/Des Moines	1.2%	1.6%	3.0%	1.9%	2.9%
Federal Way	1.9%	2.0%	3.2%	6.2%	1.9%
Kent	1.7%	2.2%	2.1%	3.4%	1.8%
Renton	1.9%	1.4%	3.5%	2.4%	2.0%
Sea-Tac/Tukwila	1.8%	1.4%	3.0%	3.4%	1.6%
East King County	**1.4%**	**1.7%**	**2.7%**	**5.2%**	**2.3%**
Bellevue	1.0%	1.4%	2.4%	5.6%	2.5%
Bothell/Woodinville	1.6%	3.2%	2.8%	4.8%	4.4%
Issaquah/North Bend	1.8%	1.5%	3.1%	3.8%	2.0%
Kirkland	1.7%	1.9%	3.8%	3.4%	1.0%
Redmond	1.7%	1.0%	2.1%	6.1%	1.3%
Snohomish County	**1.1%**	**1.8%**	**3.8%**	**4.2%**	**3.2%**
Edmonds	0.7%	0.9%	2.4%	1.9%	2.6%
Everett	1.1%	1.8%	2.9%	5.3%	4.1%
Lynnwood	1.0%	2.4%	2.8%	3.9%	2.2%
Marysville	1.7%	0.0%	7.7%	6.3%	1.7%
Mountlake Terrace	0.8%	1.8%	4.1%	3.2%	2.0%
Pierce County	**4.5%**	**3.3%**	**3.2%**	**5.1%**	**4.1%**
Fircrest	6.2%	3.2%	3.6%	3.5%	3.2%
Gig Harbor	3.6%	5.1%	4.5%	8.5%	0.6%
Lakewood	5.3%	3.6%	3.3%	4.9%	3.3%
Puyallup	3.7%	1.4%	3.3%	4.8%	5.6%
Tacoma	4.5%	2.3%	2.7%	6.1%	3.4%

SOURCE: CB Richard Ellis *Quarterly Market Reports*